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Standing Committee on Public Accounts

Committee business

Comité permanent des comptes publics

Travaux du comité

2nd Session
41st Parliament

Wednesday 25 October 2017

2^e session
41^e législature

Mercredi 25 octobre 2017

Chair: Ernie Hardeman
Clerk: Katch Koch

Président : Ernie Hardeman
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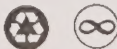
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 25 October 2017

Mercredi 25 octobre 2017

The committee met at 0902 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Ernie Hardeman): I call the meeting of the public accounts committee to order. This is the meeting for Wednesday, October 25. We start this morning's meeting with two motions that were filed at the last meeting as notices of motion. The first one is a motion from Ms. MacLeod.

Ms. Lisa MacLeod: I move that the Standing Committee on Public Accounts postpone consideration of all matters currently before the committee until the completion of its review on the report *The Fair Hydro Plan: Concerns about Fiscal Transparency, Accountability and Value for Money*, from the Office of the Auditor General.

The Chair (Mr. Ernie Hardeman): Thank you.

Ms. Lisa MacLeod: I'm hoping we can deal with it in an expedited way, simply because I have a speech I must give in the Legislature on a very pressing issue indeed.

The Chair (Mr. Ernie Hardeman): We will deal with it as expediently as the committee will allow us to do.

With that, you've heard the motion. Discussion?

Ms. Lisa MacLeod: I believe there's a vote so—vote?

Mr. Han Dong: No.

The Chair (Mr. Ernie Hardeman): A vote?

Interjection.

The Chair (Mr. Ernie Hardeman): Pardon?

Ms. Lisa MacLeod: Nobody has anything to say.

Mr. Han Dong: No. She has her hand up.

The Chair (Mr. Ernie Hardeman): Yes, Daiene.

Ms. Daiene Vernile: Thank you, Chair. We have this before us, but I would like to put on the record that I think you know that we're going to be voting against this motion.

The Minister of Energy has provided ample information, throughout last week and this week, to the Auditor General. In particular, the Independent Electricity System Operator has so far provided 1,200 records to the Auditor General. Ontario Power Generation has provided hundreds of records. The Ontario Financing Authority has provided 3,242 records. Treasury Board has provided thousands of records. And, as of October 13, the ministry has provided a total of 13,212 records to the Auditor General's office.

Again, the minister and the ministry have been very supportive. They've been transparent. They've been co-operative. And, for that reason, we see no merit in this motion.

The Chair (Mr. Ernie Hardeman): Further debate?

Ms. Lisa MacLeod: I call the vote.

The Chair (Mr. Ernie Hardeman): Mr. Colle?

Mr. Mike Colle: Yes. I guess the root of this motion is that the Conservative opposition party does not support the fair hydro plan that lowers hydro rates for consumers all across Ontario, and that is what consumers have been asking for: "Lower my rates." As you know, Mr. Speaker, many of the hydro support programs—

Ms. Lisa MacLeod: Chair?

The Chair (Mr. Ernie Hardeman): Point of order?

Ms. Lisa MacLeod: No. I want to be on the list.

The Chair (Mr. Ernie Hardeman): Oh, okay. Yes.

Mr. Mike Colle: As you know, many of those on hydro support programs—people on fixed income or low income or people who need supplementary support, whether it be hydro or other things—have asked for government plans to subsidize some of their hydro bills. The big debate has been, traditionally: Who pays for these subsidized programs? Is it the ratepayers or the taxpayers? Many of these programs are really more to do with supplementing people whose income is just not quite adequate or they have no income. They're living on the financial margins. So over the years, whether it would be the hydro billing programs or whether it would be the other similar-type utility programs, there has been this debate that's going on. There are some people who philosophically disagree. They say, "The ratepayers have to pay no matter what. Let the ratepayers pay." And yet there are others who say, "The ratepayers sometimes cannot afford to pay so it has to be paid from the general pot," which is the general income base. That's the philosophical difference.

The fair hydro plan attempts to finally come to grips with that reality, that many ratepayers cannot pay. And then the ratepayers, who are then, through their payments, subsidizing people who can't afford to pay, are saying, "My rates are going too high because I'm subsidizing the others." That is the philosophical difference. That's what I think is at the basis of this plan.

I can understand that the reports that we've seen and this motion are all part of that underlying attack on that

principle that there should be support from the general population for people who, in many cases through no fault of their own, cannot afford to pay on a regular basis. So they have asked for relief. This is a relief plan that takes it off the backs of the ratepayers. That's the fundamental issue—

Ms. Lisa MacLeod: Point of order: We're not talking about the motion here.

I understand that the government wants to rag the puck because they presently do not have the votes that we have—we would actually allow this to succeed. If the Liberals can't get five members of their caucus to show up to vote, I suggest we do what the member from Eglinton—Lawrence suggested when we sat down, which is just call the vote. He said that; it should be on the record. He's not speaking to the motion.

If we need a five-minute recess so that they can get their act together as a majority government here and actually put people in their seats, then I'll be happy to do that. But I think we need to move on this expeditiously.

As I had indicated to my colleagues, I am expected to be in the House. This is my motion; I want to vote on it. Whether or not the government agrees with their fair hydro plan or not, I could care less. I'm asking for this committee to pursue a study on an Auditor General's report that was released last week. So can we put the question, as was suggested by the government when we sat down?

The Chair (Mr. Ernie Hardeman): That's not a point of order.

Mr. Mike Colle: So before I was rudely interrupted by the member—

Ms. Lisa MacLeod: Rude? You wrote the book on rude, my friend.

The Chair (Mr. Ernie Hardeman): Order.

Interjections.

The Chair (Mr. Ernie Hardeman): Mr. Colle, you have the floor.

Interjection.

The Chair (Mr. Ernie Hardeman): Ms. MacLeod, Mr. Colle has the floor.

Mr. Mike Colle: Before I was rudely interrupted, I know sometimes the member opposite doesn't want to hear debate because—

Ms. Lisa MacLeod: Point of order?

The Chair (Mr. Ernie Hardeman): Point of order.

Ms. Lisa MacLeod: Point of order: He's impugning motive. He's also trying to attempt to misrepresent my character.

Now that they have a member here, they can win their vote—their whip's office, I think, should be doing a bit better job, but that's neither here nor there for me to comment on—

The Chair (Mr. Ernie Hardeman): That's not a point of order. Back to Mr. Colle.

0910

Mr. Mike Colle: Again, as I was saying before I was rudely interrupted, repeatedly, by the member opposite—as she stated categorically, she doesn't care about the fair

hydro plan because she has got a different agenda, and the agenda is basically to attack a plan that essentially recognizes the fact that there are many Ontarians who need support in paying their hydro bills.

Therefore—

Ms. Lisa MacLeod: Point of order, Chair.

This motion is talking about the order of work that this committee is doing. It's not necessarily about his interpretation of government policy as much as it is about the order of work which we are pursuing in this committee.

The Chair (Mr. Ernie Hardeman): With that, I would advise the member to make sure that we speak to the motion.

Mr. Mike Colle: Yes, and the motion, as stated, is that the standing committee “postpone consideration of all matters,” and part of the matters that this committee is dealing with is this report by the Auditor General which looks at the plan.

She's basically stating here that she wants to delay everything and deal with her perspective on the fair hydro plan, which is basically to block the work—

Ms. Lisa MacLeod: Point of order, Chair.

The Chair (Mr. Ernie Hardeman): Point of order.

Ms. Lisa MacLeod: My motion is very clear and perhaps the member would like to read it: “I move that the Standing Committee on Public Accounts postpone consideration of all matters”—

The Chair (Mr. Ernie Hardeman): That's not a point of order.

Interjection.

The Chair (Mr. Ernie Hardeman): That's not a point of order.

Mr. Colle.

Mr. Mike Colle: Can I continue?

The Chair (Mr. Ernie Hardeman): If you have more to say, yes.

Mr. Mike Colle: I do, and I have the right to say it.

The Chair (Mr. Ernie Hardeman): Exactly.

Mr. Mike Colle: And I'm being challenged on my right to speak out on behalf of the people I represent. I'm not going to be muzzled by the member opposite. I have a right to speak.

The Chair (Mr. Ernie Hardeman): If we would get back to the discussion of the motion.

Mr. Mike Colle: Right. As the motion says, “postpone consideration of all matters ... before this committee ... of its review on the report....”

The fundamental purpose of this motion—they've stated categorically, the member has, that she doesn't care about the fair hydro plan. Well, many of my constituents care about the fair hydro plan and want it to be—

Ms. Lisa MacLeod: Ernie, we're seriously getting nowhere. Do your job.

The Chair (Mr. Ernie Hardeman): I would just, again, advise the member to speak to the motion.

Mr. Mike Colle: I am. I'm speaking about the fair hydro plan, the concerns about fiscal transparency, accountability and value for money. My constituents are

concerned about their ability to pay for hydro and how it's paid for. The question they ask, and it's a difficult question to answer sometimes, as you see the contradiction in the Auditor General's report, who says she basically doesn't support that approach of the fair hydro plan—I'm just trying to understand—

Interjections.

The Chair (Mr. Ernie Hardeman): I would just point out again that this motion is on process, as to whether that discussion that the member is presently speaking to—whether the committee wants to have that discussion. This is about the process of doing that. I would ask the member to get—

Interjection.

The Chair (Mr. Ernie Hardeman): The auditor wants to make a comment?

Ms. Bonnie Lysyk: Yes, I do. I just want to comment that the report that we've written here does not at all deal with the policy decision to give Ontarians a rate break. That is a government policy, and their decision. The report deals with the way the government plans to record the accounting for that transaction at the expense of additional interest for the citizens of Ontario.

The financial statements of the government reflect all of the operations of government, the electricity industry as well as government operations. So it's in accordance with the Canadian public sector accounting standards that the transaction be recorded properly in the government's financial statements.

We in no way have implied that Ontarians should not get a break on their rates, as the government has made a policy decision on that matter.

Thank you for the opportunity to comment and clarify that.

The Chair (Mr. Ernie Hardeman): Thank you very much.

Again, I just caution the committee that including—the last comments of the auditor are not part of this motion. The motion, as it's written, is whether the committee wants to change the work schedule that we're working on in order to review the issue that you're discussing.

The issue is not for debate today; only the motion as to whether as to whether the committee wishes to change the work plan. If you want to finish with your comments so we can take the next one. Mr. Colle.

Mr. Mike Colle: As I was saying, and I appreciate the Auditor General clarifying that, because the impression out there is that somehow this fair hydro plan is not something that should go forward and there's opposition to it.

The Chair (Mr. Ernie Hardeman): Again, I would caution the member to stick to the work plan that's in this motion, not the merits of the—

Mr. Mike Colle: Well, directly or indirectly, we are talking about the merits of the plan, and obviously—

The Chair (Mr. Ernie Hardeman): No, we're not.

Mr. Mike Colle: —this motion tries to—

The Chair (Mr. Ernie Hardeman): It is not talking about that.

Mr. Mike Colle: —block the plan from going forward—

Ms. Lisa MacLeod: No, it doesn't.

Mr. Mike Colle: —and continuing the criticism of the plan, that she doesn't care about, she says. So I'm saying the plan has merit and should be debated, but it shouldn't be postponed—

The Chair (Mr. Ernie Hardeman): Again, I would caution the member—and this is the last caution—this debate is about the work plan, not the merits of the program.

Mr. Mike Colle: Well, as I said, I think the motivations are quite transparent here, and I recommend voting against this ongoing attempt to basically stop the fair hydro plan from going forward.

The Chair (Mr. Ernie Hardeman): Ms. Forster.

Ms. Cindy Forster: I just have a couple of questions that perhaps the Auditor General can respond to. I understand that there is a request for some 13,000 documents from the government, and the last we heard in the Legislature, earlier this week or late last week, you'd only received 1,300 or 1,400 of those documents. At this point, what percentage of documents requested have you received in order for you to continue the review of the plan?

Ms. Bonnie Lysyk: When we started putting together our understanding of the fair hydro plan accounting and financing structure, we requested emails from the Independent Electricity System Operator, Ontario Power Generation, the Ministry of Energy, the OPCD, which is the controller's office, and Treasury Board Secretariat. We did that on a voluntary request. We said, "Please provide us with all emails relating to the accounting and financing"—and the Ontario Financing Authority—"related to this initiative."

The emails we requested were on a request-only basis, not an official "Make sure you have given us everything," although our assumption is, when we ask for emails, all of that is received. At the time of finishing the report, we were working under the assumption that we had received all emails from all the entities with the exception of the Ministry of Energy. The Ministry of Energy decided to hire a legal counsel to go through the emails and provide us what they thought we needed. We have not received all of those yet, but as I said last week, we had enough information from what we requested to complete our work, so we are not continuing an ongoing review of the emails, although we continue to receive emails. We are receiving USBs with emails on them.

But our objective was to make people aware of the financing and accounting structure, and we did that. At this point, we consider our work done, and those emails, although they're being received, are not being reviewed anymore.

Ms. Cindy Forster: Thank you.

Ms. Lisa MacLeod: Chair?

The Chair (Mr. Ernie Hardeman): Ms. MacLeod.

Ms. Lisa MacLeod: I would like to thank the NDP. I've missed my rotation to speak on bubble zones for

abortion safety, and I would again request that we put this to a vote so that I can be part of that debate in the Legislature, as the critic of that bill. The government's views are stated and well known. The opposition's views are stated and well known. I would ask just for some common decency so I can join the debate.

The Chair (Mr. Ernie Hardeman): Any further discussion on the motion, not on the merits of any other plan. Any further discussion on this? Seeing none, we'll call the vote.

Ms. Lisa MacLeod: Recorded vote, please.

Ayes

Forster, MacLeod, Martow.

Nays

Colle, Dong, Hoggarth, Vernile.

The Chair (Mr. Ernie Hardeman): The motion is lost.

The second motion is a motion filed by Ms. Gélinas. Yes?

0920

Ms. Cindy Forster: I move, pursuant to section 17 of the Auditor General Act, that the Standing Committee on Public Accounts request that the Auditor General conduct a full financial audit of the Niagara Peninsula Conservation Authority.

The Chair (Mr. Ernie Hardeman): You've heard the motion. Debate?

Ms. Cindy Forster: Some of you have heard me talk in the Legislature. You've heard Mr. Bradley talk in the Legislature. You've heard Mr. Oosterhoff talk in the Legislature, and Mr. Gates as well.

Our Niagara Peninsula Conservation Authority encompasses Niagara and, actually, parts of Hamilton. It has a catchment area of about a million constituents. Nine municipal councils, including the council in Hamilton, have called upon the NPCA to have the Auditor General actually do a forensic audit. When I talk about a financial audit, I'm actually looking for even more than just the finances of the agency.

If I can give you a little bit of perspective of the kinds of issues that have actually been happening in this situation: Currently, conservation authorities across the province really have no oversight other than following provincial government policy under MNR and planning acts. When you talk to the conservation authority, they say, "Well, we have no oversight. In fact, they hire us. We're their employer." When you talk to the MNR, they say they have no ability to address any of the issues that have actually been happening in our NPCA.

Issues have been going on, really, since about 2013. I've been talking about the issues at the NPCA. There have been questionable property acquisitions, where the NPCA actually bought property that, eight years earlier,

the region refused to buy because the price was outrageous.

At the end of the day, the NPCA, in 2014, bought this property at a much-inflated price. Certainly, there were many questions raised around that issue. They ended up actually getting—I think it was 15 acres of a 54-parcel piece of property that the region had rejected eight years earlier, for 60% or 80% of the price. I don't have the details. There were a lot of questions raised around that issue.

The NPCA is currently suing a private citizen, Ed Smith, a retired military gentleman, for speaking out about the NPCA—a SLAPP suit—and have incurred \$200,000 in legal expenses in 2016. That doesn't count any of the legal expenses that have been incurred in 2017. There are two regional councillors also being sued by a company who actually got a tender, who sued the NPCA as well when they didn't receive full payment for that actual contract. That suit has now been settled out of court, but the two regional councillors are still being sued by this company just because they shared a report that was prepared by Ed Smith, who is being sued by the NPCA.

The boards of directors at the Niagara Peninsula Conservation Authority—so you'll know that across the province, conservation authorities appoint in different ways. Sometimes it's a mix of public appointments to elected officials; sometimes it's all elected officials. In our situation, it's mostly elected officials and, I think, three public members.

The board of directors member appointed by Hamilton city council to the NPCA was a gentleman by the name of Carmen D'Angelo. Carmen worked for Hamilton EMS. He was appointed by the Hamilton council to the Niagara Peninsula Conservation Authority. During his tenure there, he takes a leave of absence from the board, and then he's awarded a contract by that same board for about \$40,000 to work on a strategic plan. Once that's done, he goes back to the board. He then takes another leave of absence, and then he is appointed as CAO to the Niagara Peninsula Conservation Authority. All the while, he's sitting as a board member at the conservation authority, which we believe and our community believes is really in contravention of the act itself, because board members shouldn't profit from having a seat on the board.

Another board member, who is also an elected regional councillor, takes a leave of absence around the same time that Mr. D'Angelo takes a leave of absence. While he's on that leave of absence, he's awarded a senior management position at the Niagara Peninsula Conservation Authority, a position he didn't even apply for. He had applied for the finance position; he wasn't successful at that, so then he was awarded a senior management position as director of operations.

Restructuring then occurred around the time of these two appointments, and 19 people were restructured out of their jobs. I have the list of names—I'm happy to provide that. Since that point, two more people have been termin-

ated: one a manager, another one a GIS technician. Just one month ago, eight more front-line employees were given layoff notices. Over a period of three or three and a half years, a 60% turnover of the staff—at an agency that only has 50 employees to start with, including their management staff. I think that's a huge turnover number.

Then there's the issue of Thundering Waters, which is a Chinese development. Chinese developers bought a large parcel of property in Niagara Falls that the MNR has determined is mainly protected wetlands. The vast majority of it—the last I read, almost 90% of it—cannot be developed. But we have our conservation authority—Bruce Timms, who was the chair—lobbying to try and get MNR to change their minds on this project. It's a 196-acre piece of property in Niagara Falls. It has a Carolinian forest and it has, as I said, a huge amount of wetlands.

When the government called for comments on biodiversity offsetting, the NPCA jumped on this and was trying to get this significant wetlands on as a pilot project. It doesn't meet MNR's policy. So that has been a huge issue in our community.

We've had numerous complaints from local residents that when their issues go to the NPCA, they are ignored. They let developers move along and do whatever they choose to do, even if it's in violation, and they don't actually go after the developers when they are in contravention of the policies.

The watershed mandate for the NPCA—these eight people who were laid off a few weeks ago were watershed employees. There was a letter of understanding for the last 10 years between the region of Niagara and the conservation authority. That transferred some of the watershed work of approving permits and dealing with those issues. Now the NPCA is saying that they're not going to do that work anymore; they're going to transfer that work back to the region. In the meantime, before any discussion even occurred with local municipalities, they laid off these eight employees from the watershed program. We don't know how they're going to meet their mandate without having those people working. They didn't even have them work the notice period; they just laid them off. That issue is another one that needs to be dealt with. People believe that they laid them off because that will assist them in balancing their budget for their legal fees.

0930

There are suggestions by many that the positions that have been filled have not been filled with employees with any skills, abilities or expertise around the areas of conservation, but have been filled by friends of the new people who have been hired at the top.

Recently, after terminating these eight watershed employees, they hired two more communications officers, so that they now have three communications officers for an agency that only has 50 employees.

They censured Bill Hodgson—Bill Hodgson was a regional councillor from the municipality of Lincoln, a man with the utmost integrity; I worked with him for

many years on the region—because he spoke out about some of the policies and practices that were happening at the region. Because he called for an audit of the agency, he was censured by the NPCA and embarrassed in public. The NPCA has refused to release to the public what Mr. Hodgson supposedly did, so his name really has been smeared, across the community, and he chose to resign as opposed to continuing to have to deal with them.

They've instituted a code-of-conduct policy recently that basically says that if anybody on the board speaks out against the NPCA, they will be censured. They're basically muzzling their board members with this new policy.

There has been widespread workplace harassment. There was a survey done by OHCOW, and 86% of the people who completed the survey—and I think that the majority, 60-some per cent, completed the survey—indicated that they had been harassed or they had witnessed harassment in the workplace. In fact, Jocelyn Baker, one of the terminated managers, who was terminated two years ago, who spoke out about this widespread harassment, is now being sued by the NPCA, even though she was terminated two years ago.

FOIs are being stalled. Most recently—just in the last couple of weeks—the NPCA is even declining to respond to FOIs from Ed Smith, saying that he's being frivolous and vexatious. So they're now having to get other people to apply for freedom of information requests, because they're refusing to respond to him.

I was personally threatened with a SLAPP suit by the same company that got the contract that ended up suing the NPCA and settling out of court. I've got a letter asking me to retract my statements and those kinds of things. It didn't proceed.

You can tell from this story that there are a lot of issues.

In their latest budget, that they presented about a month ago, they are proposing \$863,000 of salary cuts in watershed and corporate services, but they're increasing salaries in CAO and administration by half a million dollars.

The public has lost a lot of faith and trust in this agency, and that's outlined in the ongoing letters, emails, tweets and letters to the editor that continue to happen on a daily and weekly basis.

The NPCA gets about 4% of their budget from the province. The rest of it comes from the region or the municipalities, so the vast majority of it is public taxpayers' dollars.

The city of Hamilton has been trying to end their relationship with the NPCA because they are attempting to increase their portion of the levy. That has been a topic of discussion as well.

We have been calling for the audit probably since January of last year. The Auditor General did offer to do an audit way back when, and it was declined at that time by the chair, saying that they weren't ready to proceed. But to my knowledge, they really haven't done anything

about doing any kind of an audit, other than somebody is auditing their strategic plan at the moment.

Certainly, people comment all the time that the NPCA has moved more toward putting their focus on development as opposed to conservation. That is a concern.

As I said, all area MPPs support it. The Auditor General and at least three municipalities have come on board to even support a supervisor, but that isn't actually anticipated under the MNR Act. We're going to be trying to deal with that through amendments to Bill 136.

There have been a number of motions passed to amend the act. We'll be dealing with them next week. I guess the bottom line is that today, we find ourselves with a community that believes that our NPCA has no accountability or transparency. They hold public meetings. You have to register for the public meeting, and then they'll tell you that the public meeting is full. Then the day before the meeting or the day of the meeting they'll say, "Oh, by the way, we've got room," and then when people actually show up to the meeting, there are only eight people there. So in fact, the meeting wasn't full at all.

Yesterday, they announced that they were going to do a kickoff to their new plans that they're going to be bringing forward—although they haven't told us what those plans are—so my staff actually registered for me to attend the event. I received an email in my constit office saying that I wasn't invited; that in fact, it was for family and friends and that it was by invitation only. How are you spending taxpayers' dollars by invitation only when you're about to make announcements about whatever plans you're going to be proceeding with across a community with one million constituents, and you're not opening those kinds of things up to the public?

At the end of the day, I'm asking that the Auditor General be requested to do a full audit there—not just a financial audit—of the policies, the practices, the hirings, the firings, the finances, the tendering—as broad a review as her department can possibly do.

The Chair (Mr. Ernie Hardeman): Okay. Ms. Vernile.

Ms. Daiene Vernile: MPP Forster has given a very compelling narrative on her concerns surrounding the Niagara Peninsula Conservation Authority. I know that we've heard similar comments from our colleague MPP Bradley, so we will be supporting you on this.

The Chair (Mr. Ernie Hardeman): Mr. Colle.

Mr. Mike Colle: Yes, I just have a number of questions that have been raised in my mind. I wonder, the makeup of the conservation authority: Who are the appointed members? Have other municipalities, other than Hamilton, made any effort to basically change their representatives on the board? Obviously, they send the representatives. What is Niagara regional council's position on this? Have they not spoken publicly? There is a host of questions. I just find it unbelievable that it's come to this point, that there aren't other mechanisms available to control a rogue conservation authority, that it has to come to the Auditor General here.

I guess the member in frustration is saying, "We've got to do something and this is the right thing to do," but I'm wondering whether there has got to be—and I've talked to member Bradley about this—there have got to be other mechanisms in place to deal with something that's really gotten totally out of line with what conservation authorities have been doing for about 100 years in Ontario. The vast majority of them are the real protectors of wetlands and green space. They're fending off development. They do an amazing job. This rogue outfit—I don't know how it got this bad, how they justify it and how they send these members—because they're appointed. Most of them are public appointees, I would assume. Who are they sending to the board?

So I would just hope that somehow—and I'll discuss it further with member Bradley and also the Minister of Natural Resources, whatever, to find a way of dealing with this, beyond the Auditor General's report. This is more than an audit issue; this is a huge governance failure of an entity that is supposed to be protecting and sustaining one of the most beautiful parts of Canada. If you can't protect the Niagara Peninsula, with the escarpment and the gorge—

Ms. Daiene Vernile: The falls.

0940

Mr. Mike Colle: Well, yes, the gorge.

So what have we come to that this most precious jewel—not only in Ontario, in Canada—has come to this point? How could this have happened? I know the member has tried to do everything, to the point where she has been threatened. This is what they do, these people who claim to be in favour of development. But I just hope that somehow, maybe through the Auditor General, they could make recommendations of other areas, because this is, again, more than just an auditing issue. This is a real wake-up call.

Generally speaking, these boards—over the years, there have been some issues. We've had so many threats in the Toronto and area conservation authority over the years from development here, and they've stood up to it. That's why we have the whole Hurricane Hazel conservation authority all the way down the Humber River, because the metro and area conservation authority has done some great work. I was on the board, actually, in Toronto for a while when Dick O'Brien was chairman.

That was the only big thing I have, because I think, somehow, we've got to really look at this from a governance—this should never have happened, and it shouldn't happen in other places. But obviously, because of the present legislation, it never really took into account that these rogues could take over a conservation authority and manipulate it for their own purposes. It's beyond the pale, what's been transpiring.

I know a little bit about it but not as much and as intimately as you, but I just find it's especially acute to do this. When we were in Niagara Falls during the hearings, I remember that I went for a jog along the gorge and I said, "Where else in the world would you rather be than running alongside Niagara Falls, with the mist in your face, as you're seeing one of the great wonders of the

world and how precious that place is?" And that's just one part of it, never mind the tender fruit lands and all the other—the escarpment's sensitivity.

I think that it's important for this motion to be supported, but I would just hope, somehow, we can all work together to build something else to ensure that this thing is taken under control, whether a supervisor or whatever mechanisms there are. I think it's a critical issue that needs to be addressed with any means, and this is one of the means, possibly, but I think we need to do even more on this thing.

The Chair (Mr. Ernie Hardeman): Just a question, Mr. Colle: Did you want research to get you the information on the—

Mr. Mike Colle: Yes, the appointment processes and the rules. This is beyond this committee. I just want it for my own information because I don't want this to happen—

The Chair (Mr. Ernie Hardeman): Does the committee agree with that? Okay. The committee is okay.

Mr. Ian Morris: I'd just like to point out one thing here that I found from the Ministry of Natural Resources. They have a policy document that speaks to the composition, and I can just quote it directly. Under the act, the Conservation Authorities Act, the conservation authority board's composition "is determined ... according to the proportion of the population from participating municipalities within the watershed." So essentially, that's the composition of the board.

Mr. Mike Colle: But I guess the thing that I was asking for are the other checks and balances that occur that are within the minister's prerogative to ensure that if they are not following rules of due process and are essentially violating their mandate, what sanctions are available and who can intervene and protect the public interest—within the legislation.

The Chair (Mr. Ernie Hardeman): If I could just clarify for research and for the member to make sure we all agree: The appointment of the members based on population is also through the municipalities, and I think the question was, are the municipalities that are appointing the people having the same concern as the one—I think that's what you mentioned in your remarks, Mr. Colle: Who's doing the appointing—

Mr. Mike Colle: And can they revoke an appointment? Are there any processes in place where they're monitored? Because I'm sure a lot of these—they're

violating the basic sustainability policies of the Niagara region and that council. That's why I can't understand why the Niagara Regional Council has not taken more aggressive action.

Mr. Ian Morris: Yes. Okay. I can look into that.

The Chair (Mr. Ernie Hardeman): Very good. Any further discussion? Again, I would just caution, as we did with the previous one, that we're discussing the motion, which is to ask the auditor to do the report and whether we agree or disagree with that.

Ms. Cindy Forster: Right. Correct. I just wanted to briefly respond to Mr. Colle. At this point, regional council is actually appointing. The province used to appoint to conservation authorities, and then they downloaded that responsibility to municipalities. There are some local municipalities in Niagara asking to take back the local appointments, but where there are two tiers of government or where there's only one tier of government, it is the regional council's responsibility.

In this particular case, I believe six mayors are appointed by the region, six regional councillors, and then there are three public appointments. So with respect to the region, the region has really not weighed in on this NPCA issue at all. I don't know why they haven't, but they haven't, even though 12 of the sitting members come from their ranks.

There are a few people sitting on the board speaking out and speaking in support, but they really have done that from their positions as a mayor of their community when the motions actually went to the various local municipalities.

The Chair (Mr. Ernie Hardeman): Further discussion? If not, the motion is before you and we'll call the question. Is everybody ready to call the question?

Ms. Cindy Forster: Can we get a recorded vote?

The Chair (Mr. Ernie Hardeman): Recorded vote.

Ayes

Colle, Delaney, Dong, Forster, Hoggarth, Vernile.

The Chair (Mr. Ernie Hardeman): All those opposed? Seeing none, the motion is carried.

That concludes the two motions.

We will now go into closed session.

The committee continued in closed session at 0948.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Vice-Chair / Vice-Présidente

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Mr. Michael Harris (Kitchener–Conestoga PC)

Ms. Ann Hoggarth (Barrie L)

Mrs. Gila Martow (Thornhill PC)

Ms. Daiene Vernile (Kitchener Centre / Kitchener-Centre L)

Also taking part / Autres participants et participantes

Ms. Bonnie Lysyk, Auditor General

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Mr. Ian Morris, research officer,
Research Services

